

12<sup>th</sup> May - 2025



# PHS STRATEGY REPORT MAY - 2025

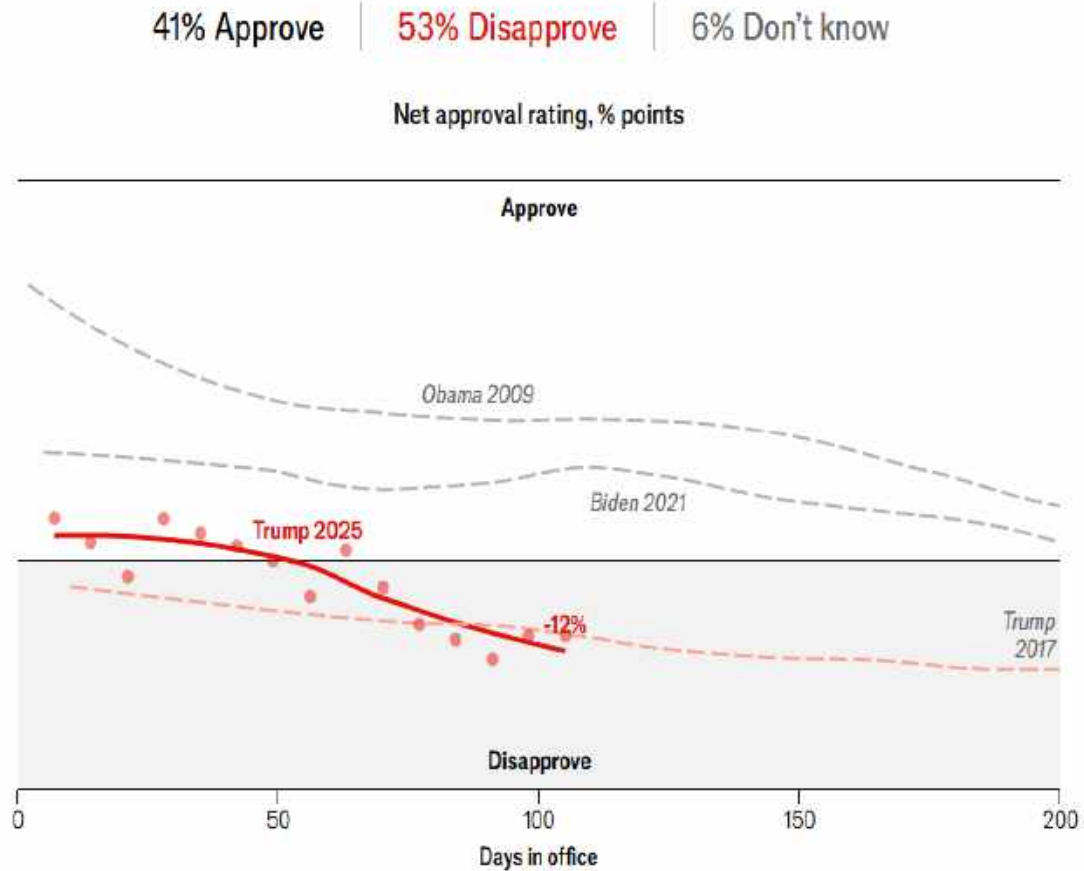
*RISK COMES ALONG WITH OPPORTUNITY*



# 1. GLOBAL ECONOMIC OVERVIEW



Donald Trump's approval rating during his first 100 days in the new term remained relatively low (data as of May 6, 2025).



Source: YouGov, Economist, PHS compiled

## PRESIDENT TRUMP'S FIRST 100 DAYS IN OFFICE

Most surveyed issues indicated a high disapproval rate toward President Trump's policy agenda, particularly in economic and foreign affairs (data as of May 6, 2025).

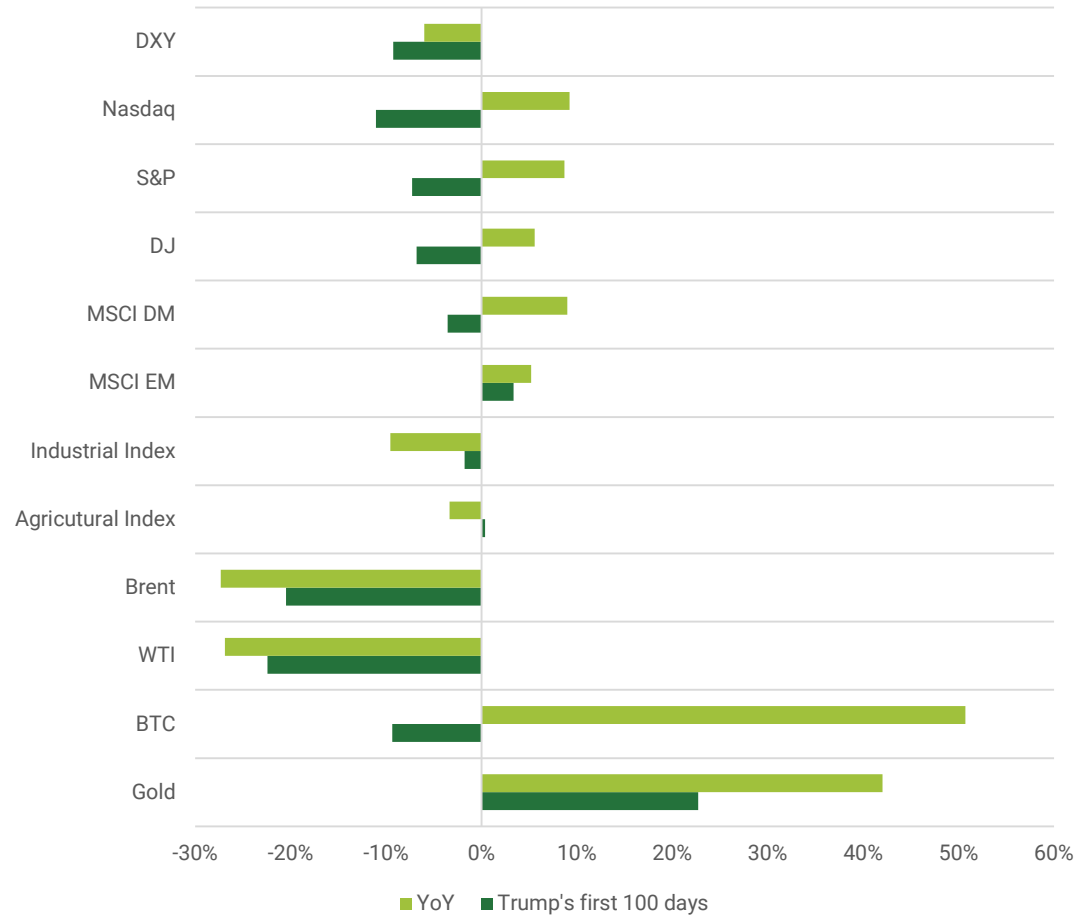
Issues	Approve	Disapprove
Immigrants	46%	53%
Federal government management	42%	57%
Concern for American interests	41%	58%
The economy	39%	61%
U.S. relations with other countries	38%	61%
Tariffs on imported goods	34%	64%
Recent stock market volatility	31%	67%

Source: Bloomberg, PHS compiled



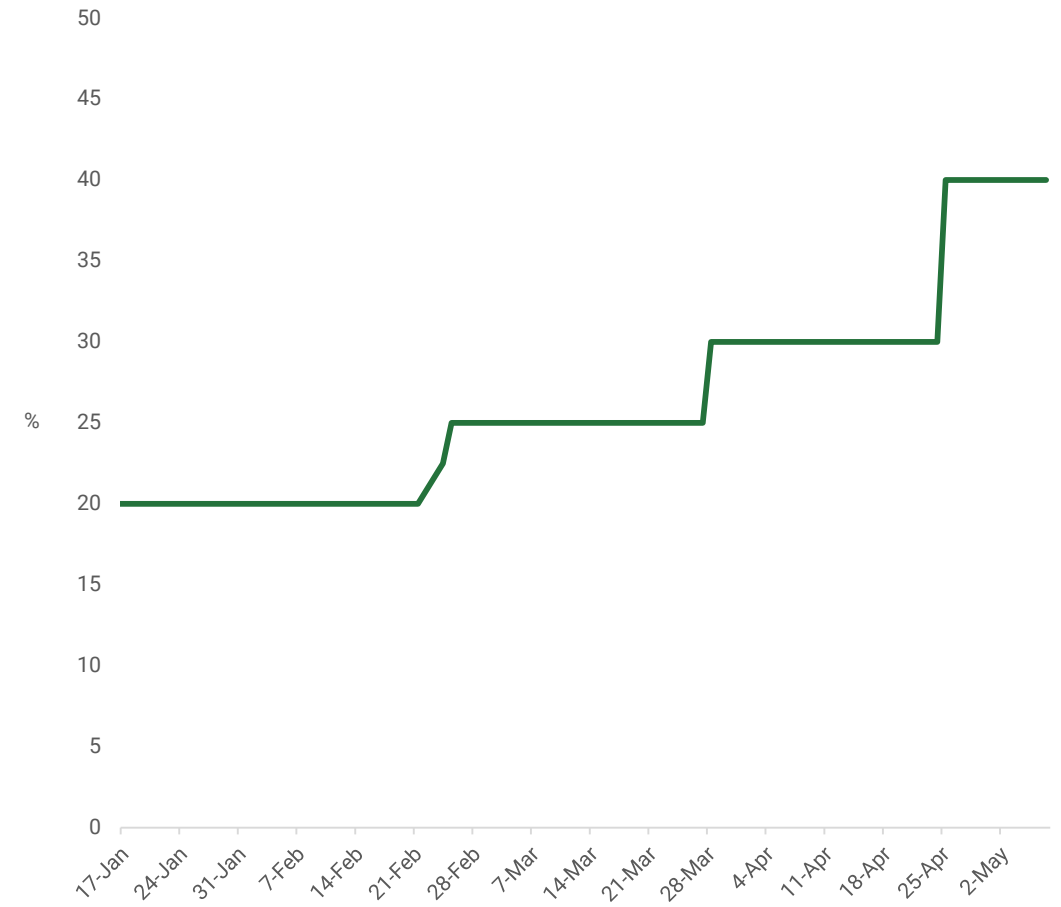
# PRESIDENT TRUMP'S FIRST 100 DAYS IN OFFICE

Commodity prices and the U.S. dollar have seen sharp declines since Trump's return to the White House, while gold has emerged as the strongest-performing asset (data as of May 6, 2025).



Source: Bloomberg, PHS compiled

Meanwhile, recession risks are forecasted to rise significantly, especially following the "Liberation Day" event (data as of May 6, 2025).

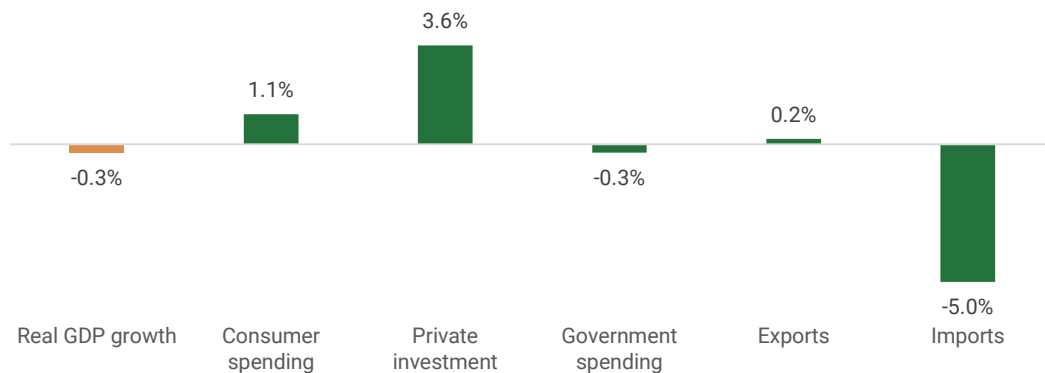


Source: Bloomberg, PHS compiled

# THE U.S. ECONOMY HAS BEGUN TO SHOW SIGNS OF WEAKNESS

Data show that the U.S. economy contracted by 0.3% in Q1 2025, deepening recession fears that have loomed over the country since President Donald Trump launched a new trade war.

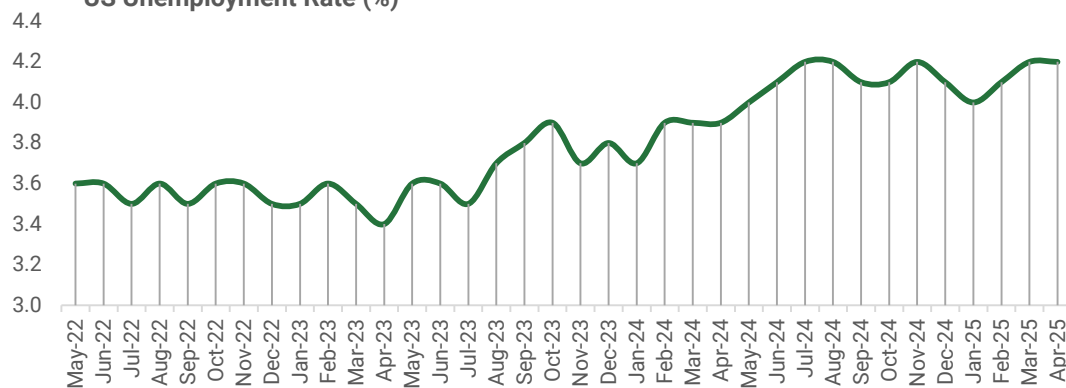
Contribution to US real GDP growth in 1Q 2025



Source: PHS compiled

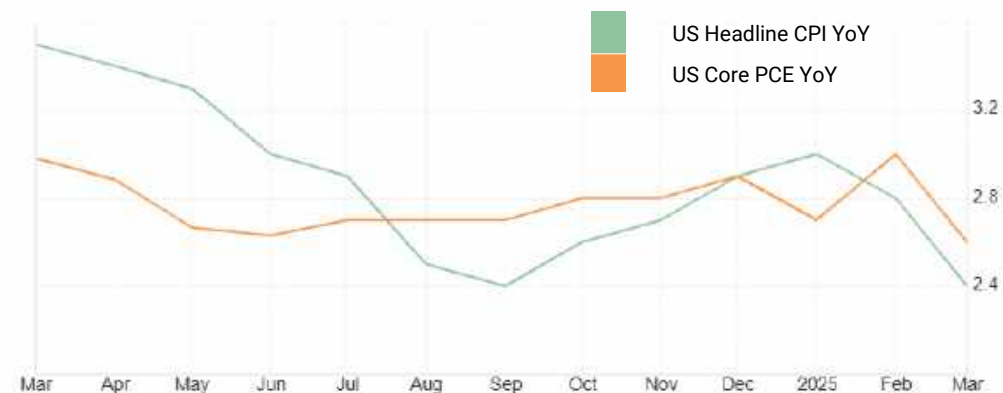
Although the unemployment rate has risen compared to the beginning of the year, it remains low, indicating a stable U.S. labor market.

US Unemployment Rate (%)



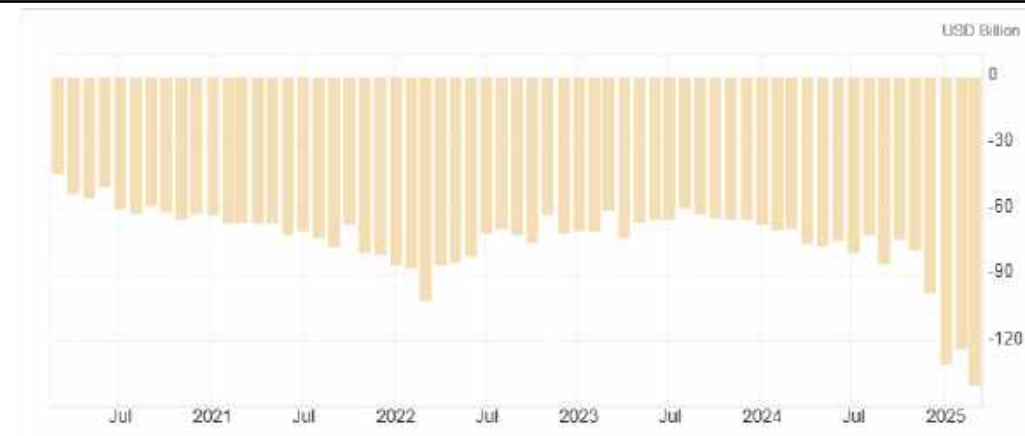
Source: PHS compiled

Although inflation in the U.S. remains on a downward trend—partly due to a high base effect from the same period last year—it still exceeds market and Federal Reserve expectations. Tariff-related issues may reignite inflationary pressures.



Source: PHS compiled

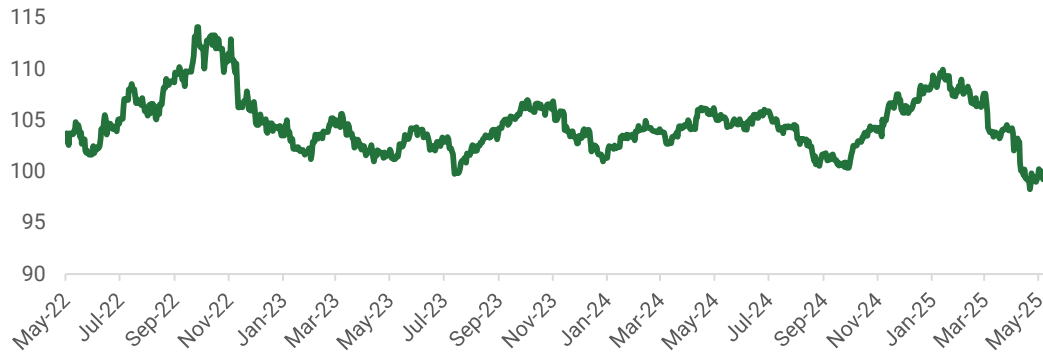
Notably, the U.S. trade deficit is widening, partly reflecting that businesses are accelerating imports due to concerns over the Trump administration's tariff war.



Source: PHS compiled

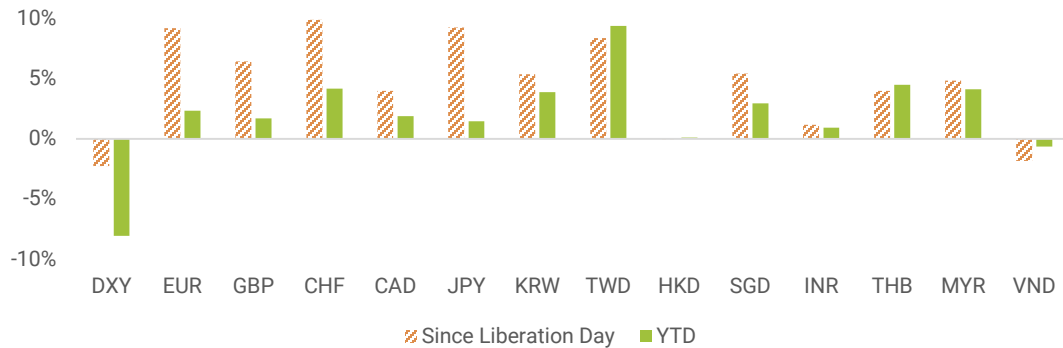
## MARKETS FEAR A POTENTIAL “PLAZA ACCORD 2.0” EVENT

After peaking in January, the U.S. dollar has declined sharply as markets grow increasingly concerned about U.S. economic weakness and the potential for a Plaza Accord-like event (Mar-a-Lago) aimed at weakening the dollar (data as of May 6, 2025).



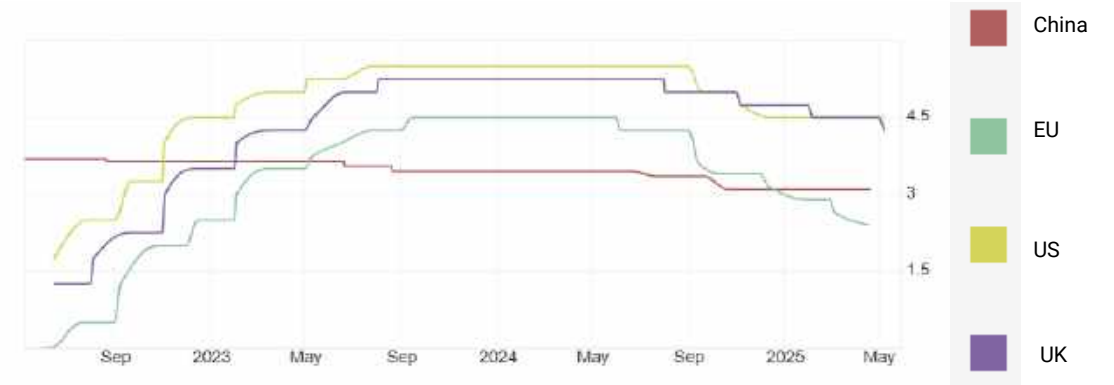
Source: Bloomberg, PHS compiled

The weakening of the U.S. dollar has led to a sharp appreciation of the currencies of key U.S. trading partners (EUR, CHF, JPY, TWD, HKD, and KRW). At the same time, this has dampened sentiment in the U.S. bond market, as these countries are also major holders of U.S. Treasury Bond.



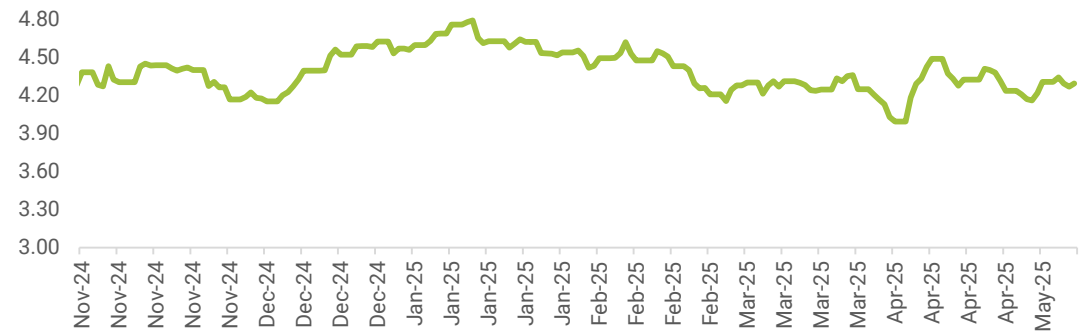
Source: Bloomberg, PHS compiled

Central banks have been continuously cutting interest rates to support their economies. Notably, China has introduced aggressive measures across credit, interest rates, and regulatory easing to boost domestic demand and withstand external headwinds.



Source: Bloomberg, PHS compiled

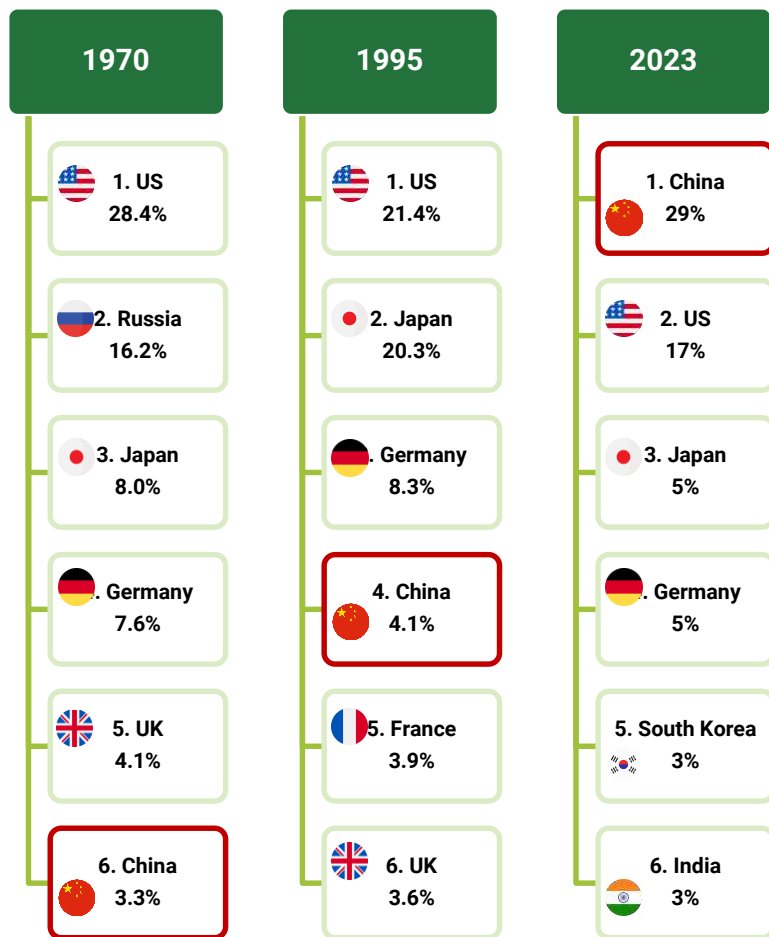
As a result, pressure has intensified in the bond market. U.S. Treasury yields saw a sharp rise in April, amid speculation that the selling came from the two largest foreign creditors—Japan and China (data as of May 6, 2025).



Source: Bloomberg, PHS compiled

# THE IMPACT OF CHINA ON THE ENTIRE GLOBAL SUPPLY CHAIN IS IMMENSE

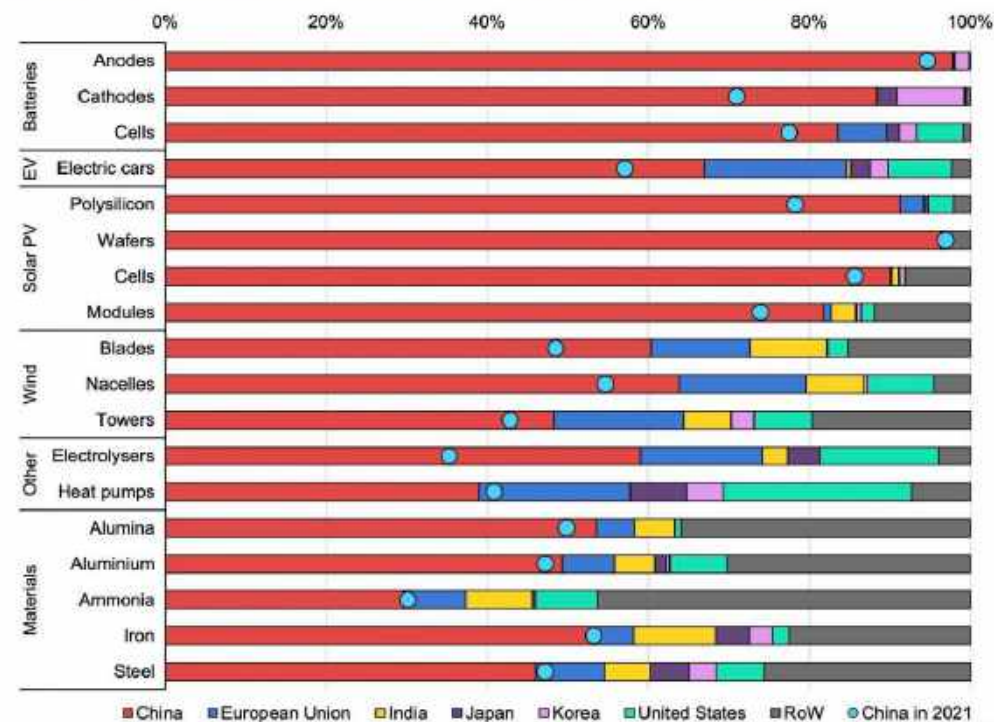
According to UN estimates, China is playing an increasingly critical role in global manufacturing, with its output nearly equivalent to the combined production of the U.S., Japan, Germany, and South Korea.



Source: UN, PHS compiled

China's influence extends beyond manufacturing, as the entire global supply chain heavily depends on the country—given its critical contributions across most major industries.

Figure 1.11 Installed manufacturing capacity by country/region, 2023



Note: RoW = Rest of World. "Electric cars" values are calculated based on 2023 production numbers, adjusted according to the utilisation rates of car assembly plants in the region.

Source: IEA analysis based on IEA (2024a); and IEA (2023b).

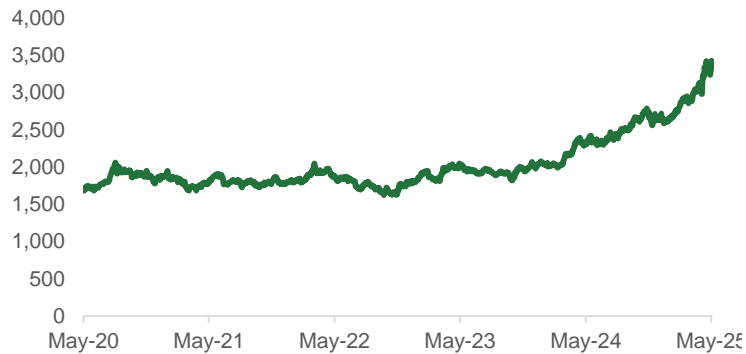
**Manufacturing capacity for clean technologies and materials today is highly concentrated geographically, with China the largest single producer in all cases.**

Source: IEA, PHS compiled

Data as of May 8, 2025

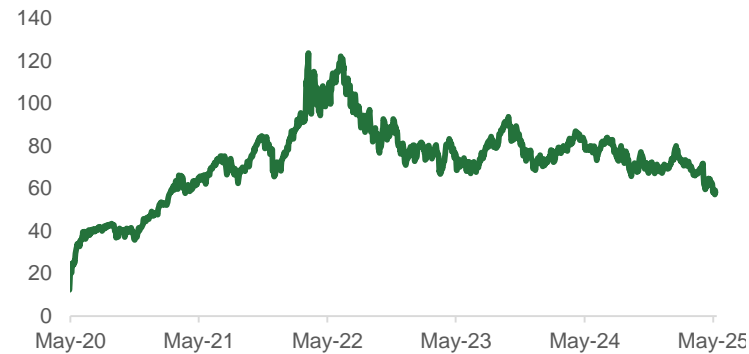
## COMMODITY MARKET RECAP

### Gold



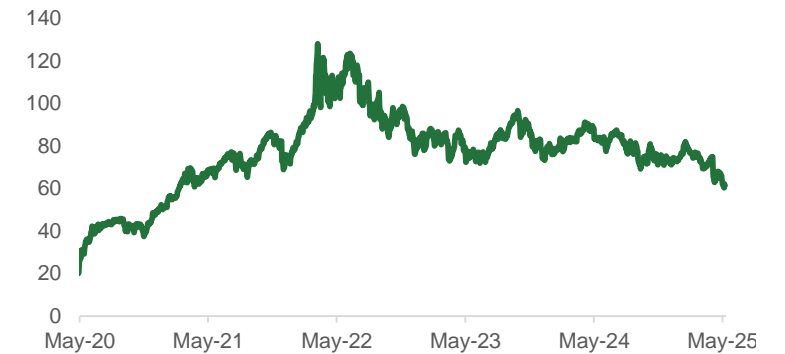
Source: Bloomberg, PHS compiled

### WTI



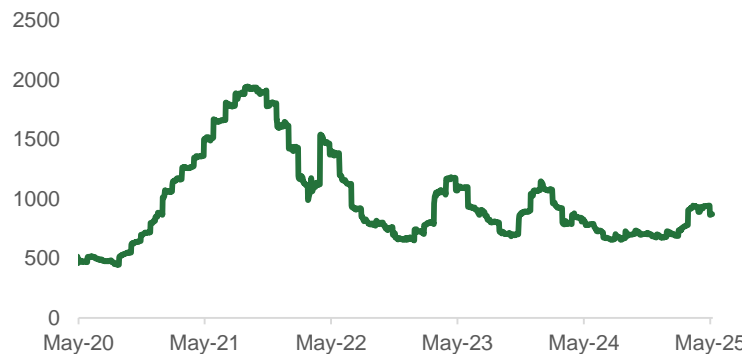
Source: Bloomberg, PHS compiled

### Brent oil



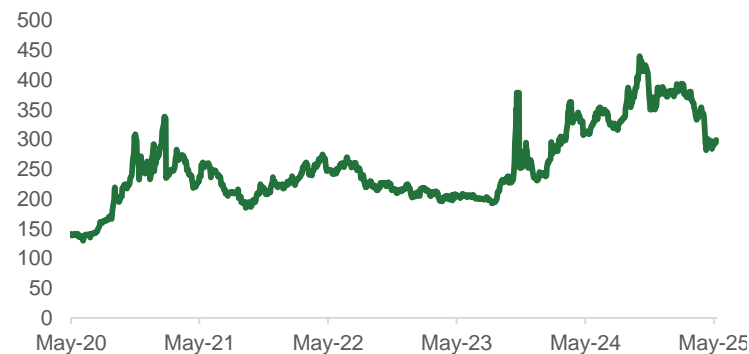
Source: Bloomberg, PHS compiled

### Steel



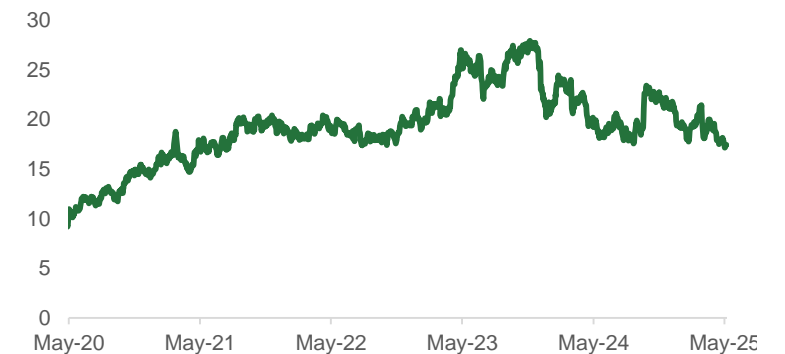
Source: Bloomberg, PHS compiled

### Rubber



Source: Bloomberg, PHS compiled

### Sugar



Source: Bloomberg, PHS compiled



## Economic Calendar – May 2025

Ngày	Sự kiện	Dự báo	Tác động
05/05/2025	Vietnam – Opening of the 9th National Assembly session (lasting until 28/06/2025)		☆☆☆
06/05/2025	Vietnam – April economic data release		☆☆☆
07/05/2025	Vietnam – U.S. tariff negotiation discussions		
08/05/2025	U.S. – Fed interest rate meeting		☆☆☆
	U.K. – BoE interest rate meeting		☆☆☆
10/05/2025	China – Inflation data release		☆☆
13/05/2025	U.S. – Inflation data release		
14/05/2025	Vietnam – MSCI index constituent announcement		
15/05/2025	U.S. – Retail sales & unemployment rate data		☆☆☆
	Vietnam – Derivatives contract expiration		
20/05/2025	China – PBoC interest rate meeting		☆☆
	VN30 derivatives contract expiration		☆☆☆

## Conclusion

- President Trump's first 100 days unfolded predictably, marked by volatility and unpredictability. Policies he had highlighted during his campaign, including tariffs, immigration, the Russia-Ukraine conflict, and personnel reductions, were implemented, most notably the controversial tariff campaign. This action not only generated surprising figures but also increased pressure on the U.S. economy as the risks from trade disputes became more apparent. Public and internal political opposition grew, especially as diplomatic relations between the U.S. and many countries deteriorated.
- China, with its significantly strengthened position in recent years, is unlikely to easily yield to pressure from the US. In fact, the world has witnessed verbal sparring between the two leading economies, increasing instability in financial markets. Simultaneously, tensions between the Trump administration and Fed Chairman Jerome Powell further destabilized the markets. Nevertheless, we believe the Fed's monetary policy will continue to maintain its independence, remaining free from pressure from the US government, even in the event of personnel changes in leadership.
- May began with a positive sign as the US and China held trade talks in Geneva, reaching an initial "trade agreement." The US announced a reduction in tariffs on Chinese goods from 145% to 30%, while China lowered tariffs on American goods from 125% to 10% for 90 days. While this is encouraging, we believe a comprehensive agreement will take more time. However, this initial step could pave the way for future negotiations with other trade partners, including Vietnam. Furthermore, the US dollar has weakened significantly from its peak, allowing many other currencies to appreciate. Gold prices, after breaking through the \$3,400 mark, have entered a period of correction. On the geopolitical front, a new hotspot has emerged between India and Pakistan, adding further uncertainty to the global economic landscape..

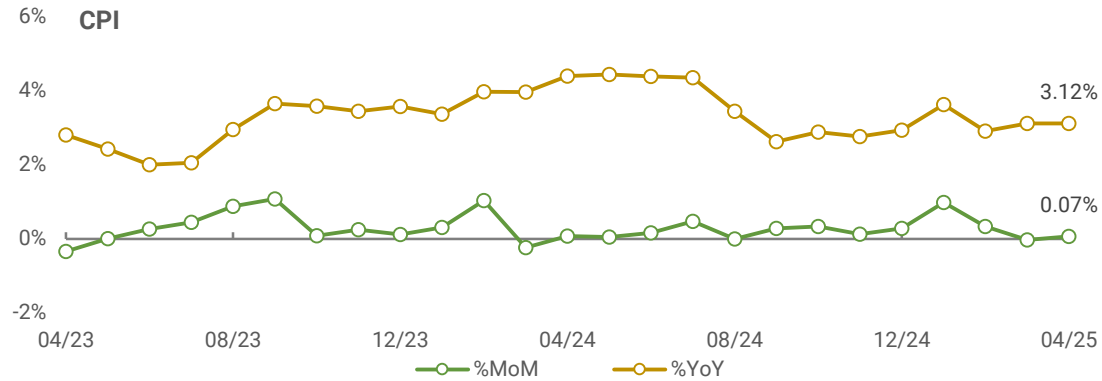
***We anticipate the USD will continue its downtrend in May and June, supported by expectations of Fed rate cuts. However, as mentioned, trade negotiations are unlikely to yield rapid results in the next 1-2 months. This implies continued volatility in financial markets within a wide range, with fluctuations based on the progress of negotiation news. Furthermore, rising bond yields amidst weakening global economic growth and earnings prospects are a concerning factor. We see a real risk of global stock market re-rating, making a strong breakout more difficult. Investors should remain cautious, focusing on risk management and flexibility in their investment strategies.***

## 2. VIETNAM ECONOMIC OVERVIEW



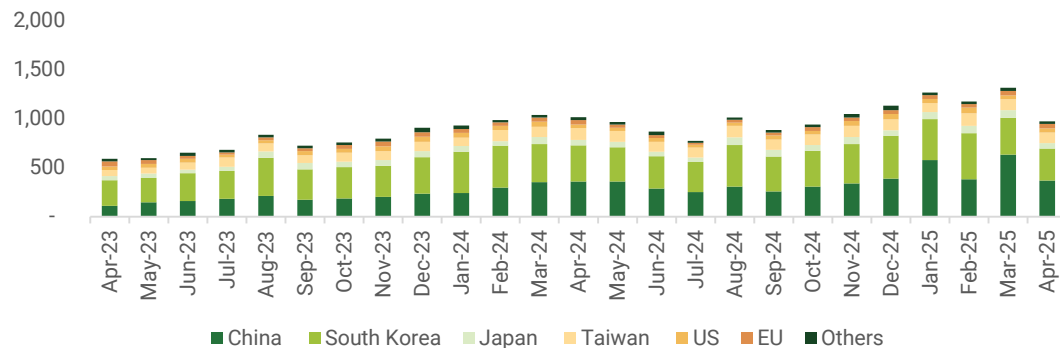
## VIETNAM ECONOMIC OVERVIEW – APRIL: CHALLENGES COME TO LIGHT

Inflation remained stable in April, supported by the sharp decline in oil prices—despite it being one of the peak months of the festive season. Overall, we maintain our view that inflation will stay steady around an average of 3.8–4.0% for 2025, even in the event of an electricity price hike.



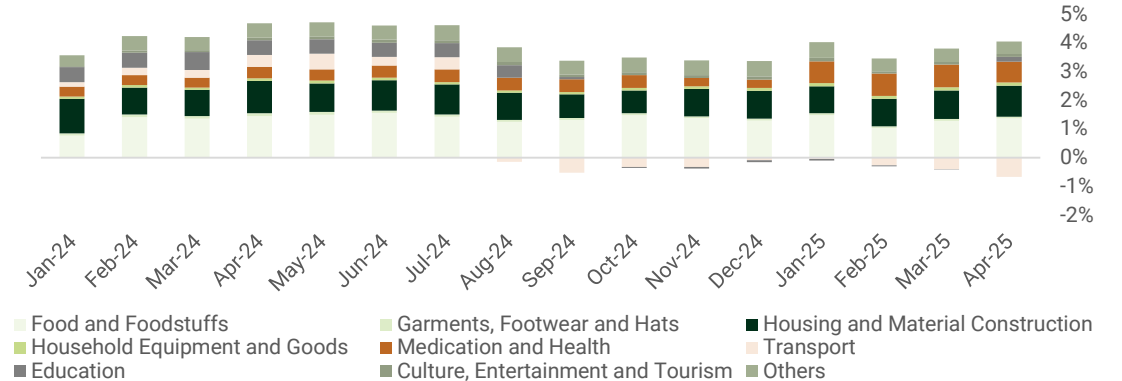
Source: GSO, PHS compiled

The number of international visitors to Vietnam fell by 19.5% compared to March, reaching 1.65 million arrivals. The majority of the decline came from Chinese tourists, down 42% MoM. Following Chinese President Xi Jinping's visit to Vietnam, we expect to see positive developments in cultural and tourism exchanges between the two countries.



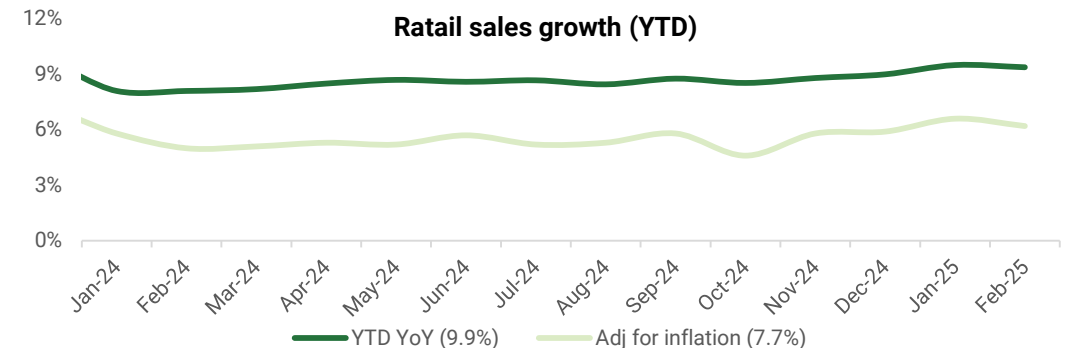
Source: GSO, PHS compiled

Aside from January, which was impacted by a spike in airfares during the Lunar New Year, the transportation category has recorded its eighth consecutive month of price declines. Meanwhile, public services such as education and healthcare are at the center of government-led campaigns for fee exemptions and reductions, contributing to inflation stability and creating favorable conditions for monetary policy easing.



Source: GSO, PHS compiled

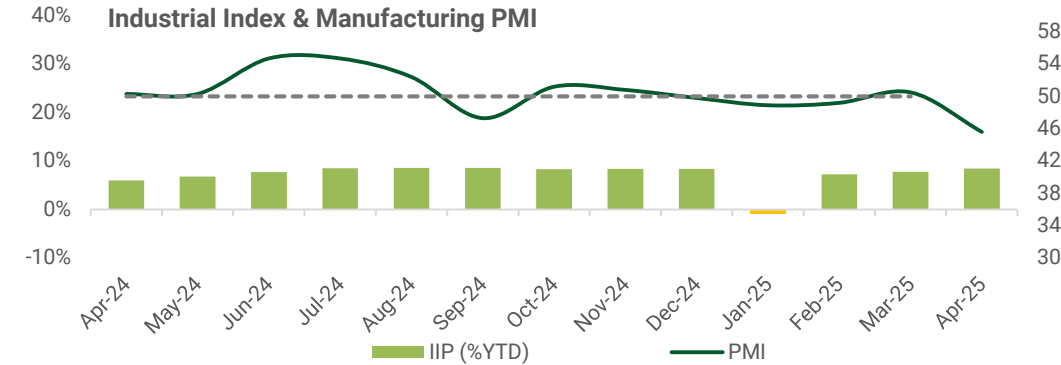
With current policies supporting and stimulating consumption and tourism, we expect retail activity—alongside public investment—to become the two main pillars driving economic growth in 2025.



Source: GSO, PHS compiled

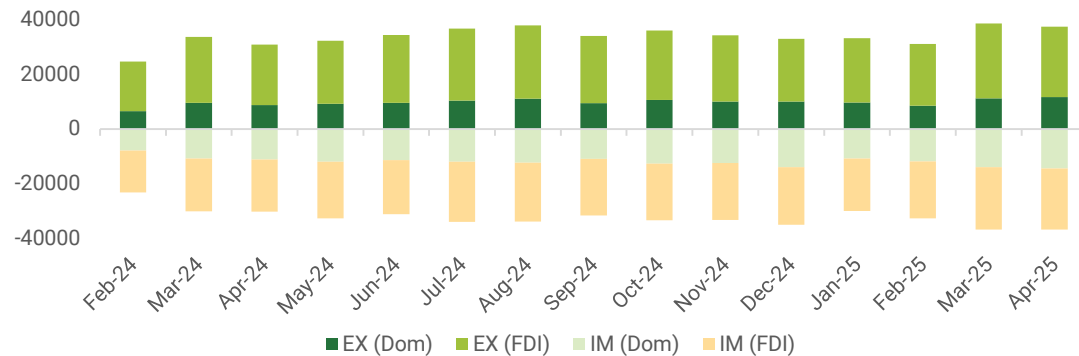
## VIETNAM ECONOMIC OVERVIEW – APRIL: CHALLENGES COME TO LIGHT

The manufacturing landscape reflects growing challenges amid the trade war, especially with the Purchasing Managers' Index (PMI) falling to 45.6—the lowest level in two years. Notably, sharp declines in both new orders and purchasing activity signal a rather negative outlook.



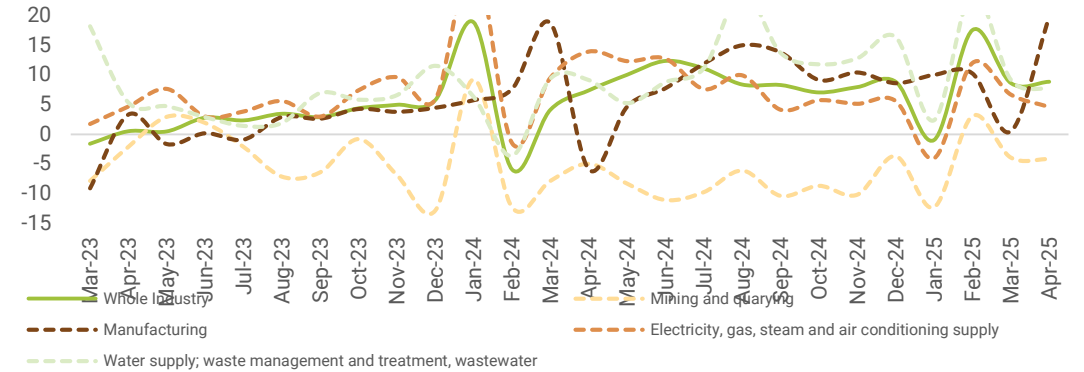
Source: GSO, PHS compiled

Export value declined compared to the previous month—primarily driven by the FDI sector—while imports remained relatively unchanged. We expect businesses to accelerate production activities in Q2 while awaiting the outcome of the final trade negotiations.



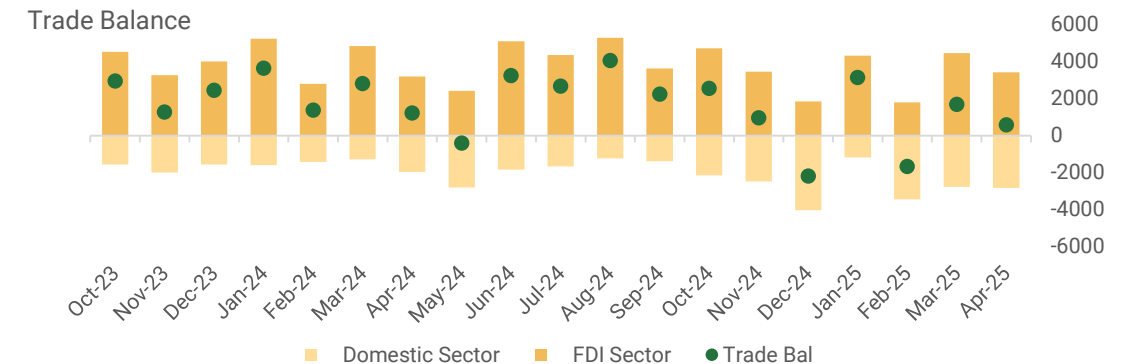
Source: GSO, PHS compiled

Following President Trump's announcement of a 90-day tariff delay, many businesses took advantage of the window to ramp up production. As a result, the manufacturing and processing sectors recorded solid output growth in April.



Source: GSO, PHS compiled

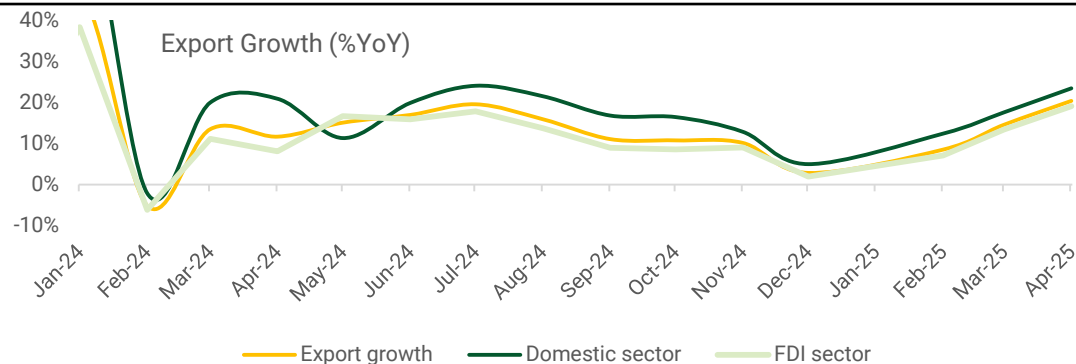
The trade balance posted a surplus of USD 577 million in April. We maintain our view that imports will decline more sharply than exports in the event of unfavorable negotiations, thereby allowing Vietnam to continue recording a surplus in the merchandise trade balance.



Source: GSO, PHS compiled

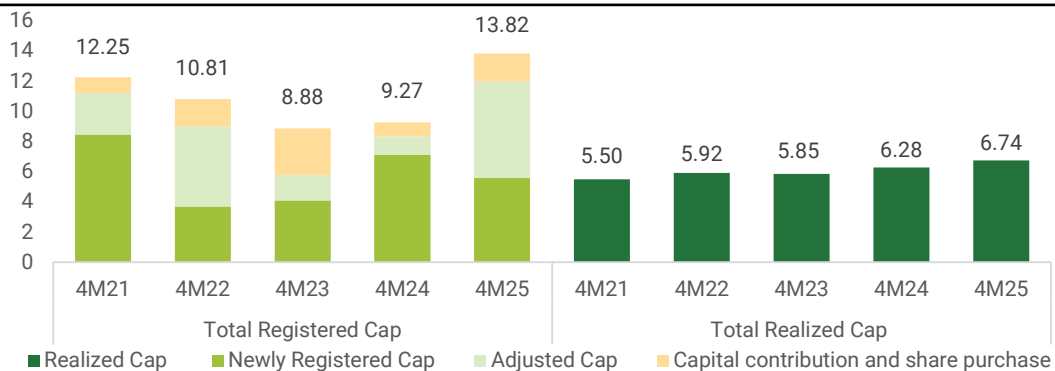
## VIETNAM ECONOMIC OVERVIEW – APRIL: CHALLENGES COME TO LIGHT

Total export turnover continues to recover positively. Notably, in April, key export categories—including electronics, components, textiles, and footwear—recorded strong year-over-year growth.



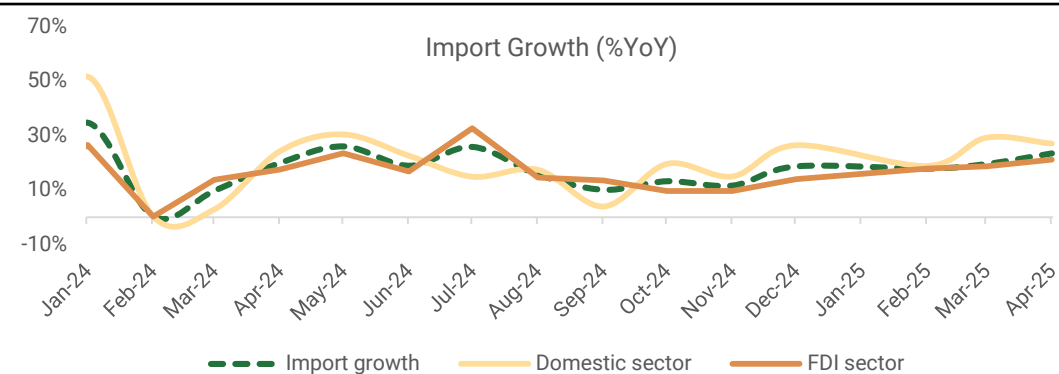
Source: GSO, PHS compiled

FDI remains at its highest level in years in terms of both registered and disbursed capital, supported by the government's active investment promotion efforts. While new registered capital has yet to see a breakthrough due to tariff-related uncertainties, additional registered capital has nearly quadrupled—indicating that existing businesses are continuing to expand their operations in Vietnam.



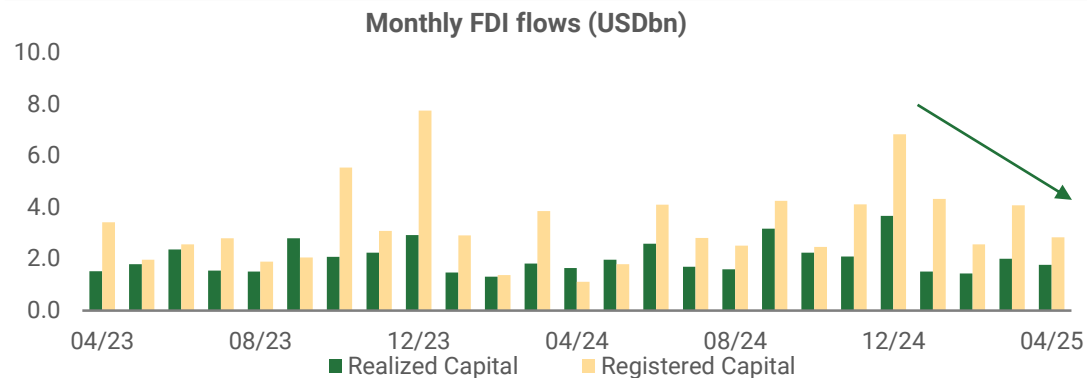
Source: GSO, PHS compiled

As mentioned above, import trends do not yet signal major concerns, with import volumes still showing robust growth (22.9% YoY). In April, Vietnam saw significant imports of LNG gas along with input materials for manufacturing purposes.



Source: GSO, PHS compiled

The cautious stance of foreign investors is evident in the sharp decline in new FDI registrations in April. However, disbursement activity remains relatively stable, reaching USD 1.8 billion for the month—exceeding our expectations.



Source: GSO, PHS compiled

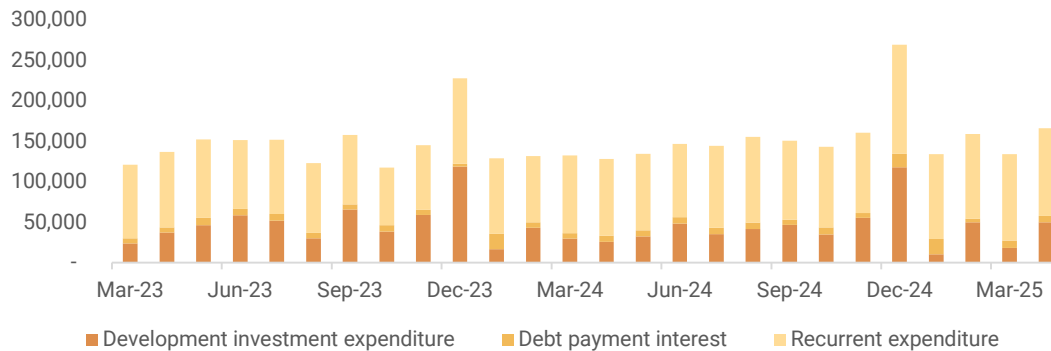


The state budget recorded a record surplus of VND 348.7 trillion, driven by strong revenue growth. While public investment disbursement showed year-over-year improvement, actual progress remains below expectations—reaching only 16.3% of the annual plan after one-third of the year.

	4M2025	%Plan	%YoY	2025 Plan
<b>State budget revenues and grants</b>	<b>944,100</b>	<b>48%</b>	<b>26.3%</b>	<b>1,966,839</b>
- Taxes and Fees	827,200	49.6%	29.5%	1,668,356
- From crude oil	17,300	32.6%	-12.0%	53,200
- From export & import	99,100	42.2%	11.7%	235,000
<b>Total State expenditures</b>	<b>595,400</b>	<b>23.4%</b>	<b>15.2%</b>	<b>2,633,258</b>
- Investment and development expenditures	128,500	16.3%	16.3%	875,027
- Interest payment	40,700	36.8%	2.3%	110,547
- Current expenditures	425,000	27.1%	16.1%	1,554,677
<b>Budget Balance</b>	<b>348,700</b>			<b>-666,419</b>

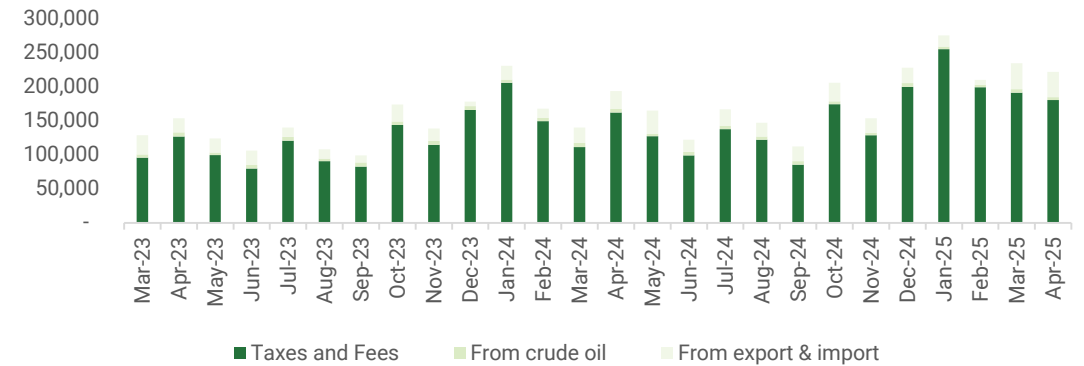
Source: GSO, PHS compiled

On the other hand, government spending has been tightly controlled. Efforts to streamline the state apparatus are expected to reduce recurrent expenditures, as administrative costs currently account for up to 70% of total recurring spending.



Source: GSO, PHS compiled

Domestic revenue rose significantly compared to the same period last year, supported by an improving economic environment. We assess that the current fiscal structure is relatively solid, providing the government with adequate resources to strengthen public service support.



Source: GSO, PHS compiled

Interest rates have remained stable, supported by ample Treasury deposit balances. However, exchange rate pressure persists, resulting in a lack of alignment with the DXY index's movements. Specifically, the State Treasury (KBNN) has continued to purchase foreign currency to serve Q2 payment needs, while foreign capital inflows remain limited.

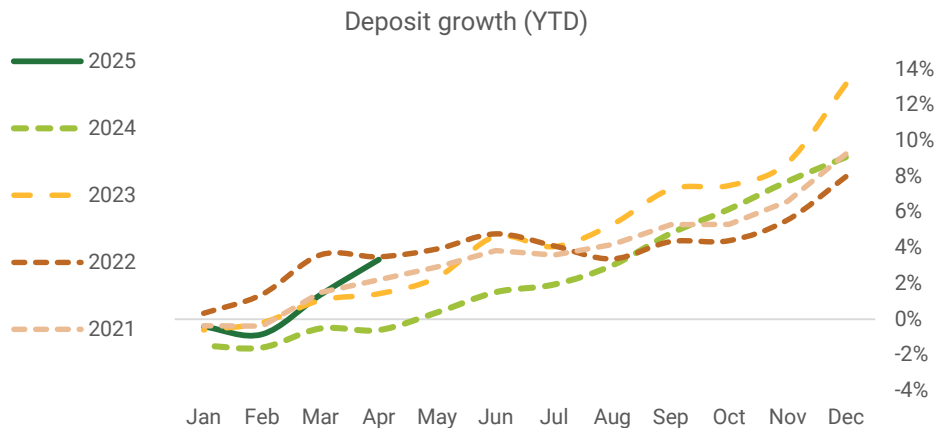
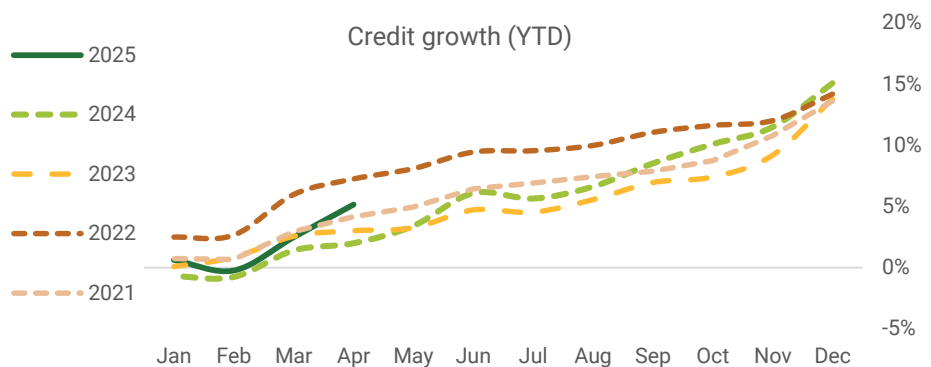


Source: Tradingeconomics, PHS compiled

## VIETNAM ECONOMIC OVERVIEW – APRIL: CHALLENGES COME TO LIGHT

- Amidst the escalating trade war, Vietnam's economic landscape is showing increasingly clear signs of difficulty. The 10% tariff, while lower than initially anticipated (46%), is enough to create a cautious atmosphere, causing production to show signs of stagnation. Notably, disbursement of public investment capital remains below expectations, indicating ongoing challenges in implementing key projects. However, we maintain our optimism regarding the government's efforts to accelerate disbursement, particularly after completing personnel stabilization and provincial mergers in the second quarter. The Vietnamese government understands the importance of promoting infrastructure and is continuously reforming institutions to facilitate economic growth..
  - Resolution 68 of the Politburo on private sector development marks a significant milestone, reflecting an open mindset and a commitment to promoting sustainable growth in the private sector. This not only reinforces trust between the State and the private sector but also unlocks substantial opportunities for domestic businesses. Measures such as reducing business conditions, simplifying administrative procedures, and providing corporate income tax exemptions or reductions for small and medium-sized enterprises are practical steps that alleviate cost burdens and enhance business competitiveness. Notably, the objective of developing at least 20 large enterprises to participate in global value chains not only affirms the role of the private sector but also lays the groundwork for deeper integration into the global economy.
  - Regarding international trade, we maintain a cautious outlook. While trade negotiations are expected to reduce tariffs to around 20%, short-term pressures remain, especially given the volatile global landscape. Recently, multinational corporations, such as Apple, Samsung, and LG, have increasingly shifted focus to India. This is due to India's advantageous labor costs, its potential as a consumer market, and its lower reciprocal tariff rate of 26% (compared to competitor nations like ASEAN under the Trump administration's list). Nevertheless, we believe Vietnam retains unique advantages in its geographic location, natural resources, political stability, workforce skills, and investment environment, and will continue to attract investment capital as conditions stabilize. Therefore, we remain optimistic about Vietnam's long-term prospects. Public investment, real estate, technology, and large private corporations will continue to be key growth drivers.
- ⇒ **The government and the State Bank of Vietnam currently possess various tools to support the economy, ranging from maintaining a low-interest-rate environment to reducing taxes and fees, disbursing funds, and promoting innovation. This helps facilitate business expansion, improve competitiveness, and minimize the impact of external uncertainties. However, in the short term, we believe that the economic picture for May will continue to highlight challenges if there is no new progress in negotiations.**
- ⇒ **Regarding the exchange rate, we maintain our view that it will stabilize around the range of 25,850 - 26,100. We anticipate a 0.25% rate cut by the Fed in June, which could cool the exchange rate down to below 25,800 if Vietnam quickly finalizes an agreement with the US. Conversely, if tariff rates exceed 25%, we forecast the US\$VND exchange rate will reach 26,200.**

As of 12 <sup>h</sup> May 2025	Prices
Average 12M deposit rate @4SOBs	4.7%
SJC Gold (million dong/tael)	119.5 – 121.5
Interbank USD/VND rate	25,979 (+2.0% YTD)
VNT 10yrs bond yield	3.07% (+11 bps)



## MACRO FORECAST

Economic indicators	2025 Government Plan	4M2025	PHS 2025F		
			Best Case (10 - 25% tariffs)	Base Case (30 - 35% tariffs)	Worst Case (46% - 56% tariffs)
<b>GDP growth (%YoY)</b>	> 8.0%	6.93%	6 - 7%	5%	3 - 4%
<b>Average CPI (%YoY)</b>	4.5-5.0%	3.22%	3.5 - 4.0%	4 - 5%	5 - 5.5%
<b>Urban unemployment rate</b>	<4%		3.5%	5%	7 - 9%
<b>Credit growth</b>	16%	+5.16% (30/04/2025)	17%	16%	10 - 12%
<b>Public investment disbursement/ New Plan</b>	95%	16%	90%	95%	100%
<b>Import turnover (YTD YoY)</b>		+18.6%	14.0%	-10%	-18%
<b>Export turnover (YTD YoY)</b>		+13.0%	12.0%	-8%	-16.5%
<b>Industrial production (IIP)</b>		+8.4%	8 - 9%	6%	4 - 5%
<b>Total retail sales</b>		+9.9%	8.5 - 9%	6 - 7%	4 - 5%
<b>Realized FDI (% YoY)</b>		7.3%	7 - 8%	-5%	-15 -> -20%

# 3. VIETNAM EQUITY MARKET



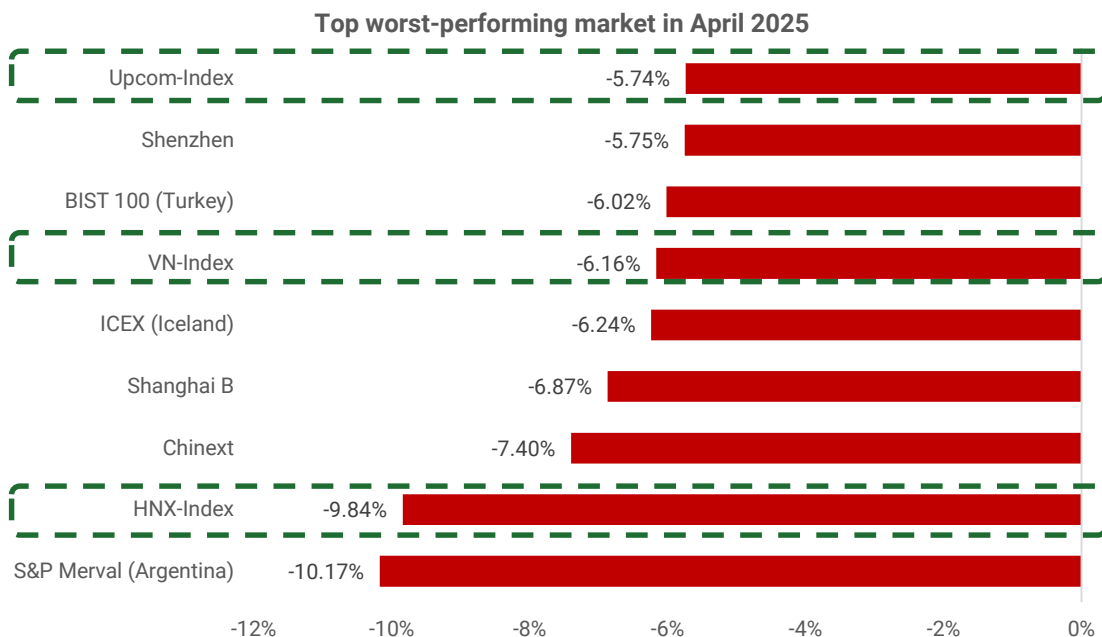


## Key events in April 2025

- 03/04: The U.S. administration announced reciprocal taxes on various countries.
- 06/04: Vietnam's macroeconomic data for Q1/2024 was released.
- 09/04: China responded by increasing tariff levels against the U.S., causing further escalating tensions between two countries
- 10/04: The U.S. temporarily suspended the imposition of tariffs for 90 days and initiated negotiations with countries regarding tariff issues.
- 10/04: The EU postponed retaliatory tariffs against the U.S.
- 25/04: Rebalance of the domestic ETF portfolio for Q2/2025: banking stocks was reduced weights & sold by ETFs



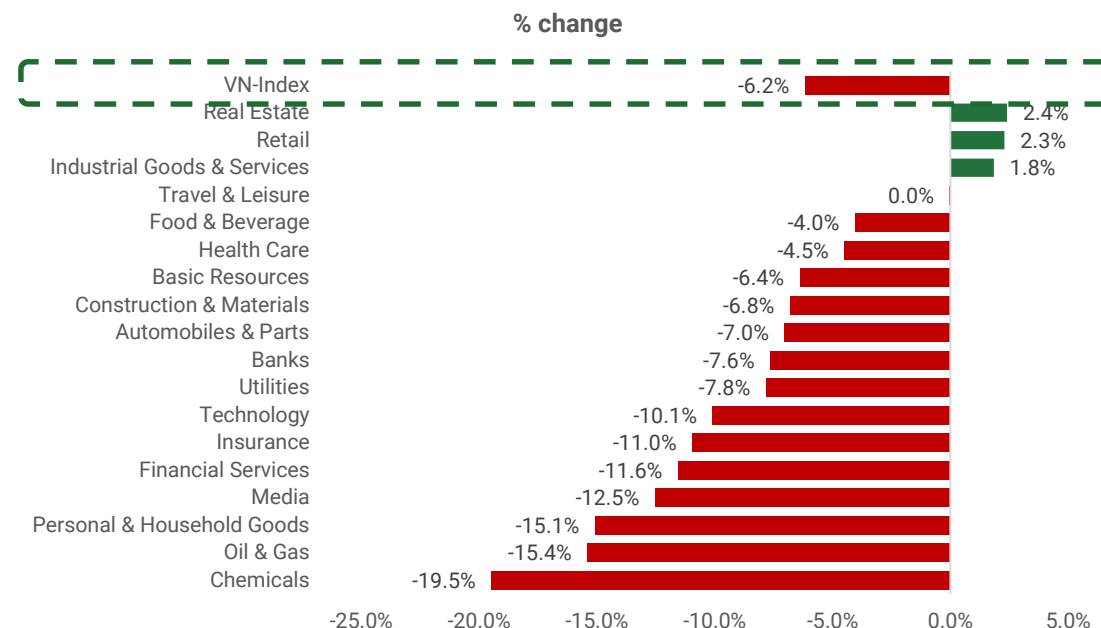
The tariff policy announced by the U.S. at the beginning of April caused turmoil in global stock markets, and Vietnam was no exception. The VN-Index recorded consecutive limit-down sessions and only began to reverse and recover in the second half of April when the U.S. decision to temporarily suspend the tariffs was made. Nevertheless, Vietnam's stock market remained among the worst-performing in the world during April.



Source: PHS complied

## GOING THROUGH APRIL WITH MANY FLUCTUATIONS

A widespread sea of red dominated, especially in industries related to exports to the U.S. market such as textiles, seafood, and rubber. The industrial real estate sector also faced risks of FDI capital outflows. Additionally, the oil and gas sector saw significant declines in line with global oil price movements. The real estate sector showed strong divergence, with green prevailing thanks to the surge in stocks related to the Vingroup's stock.

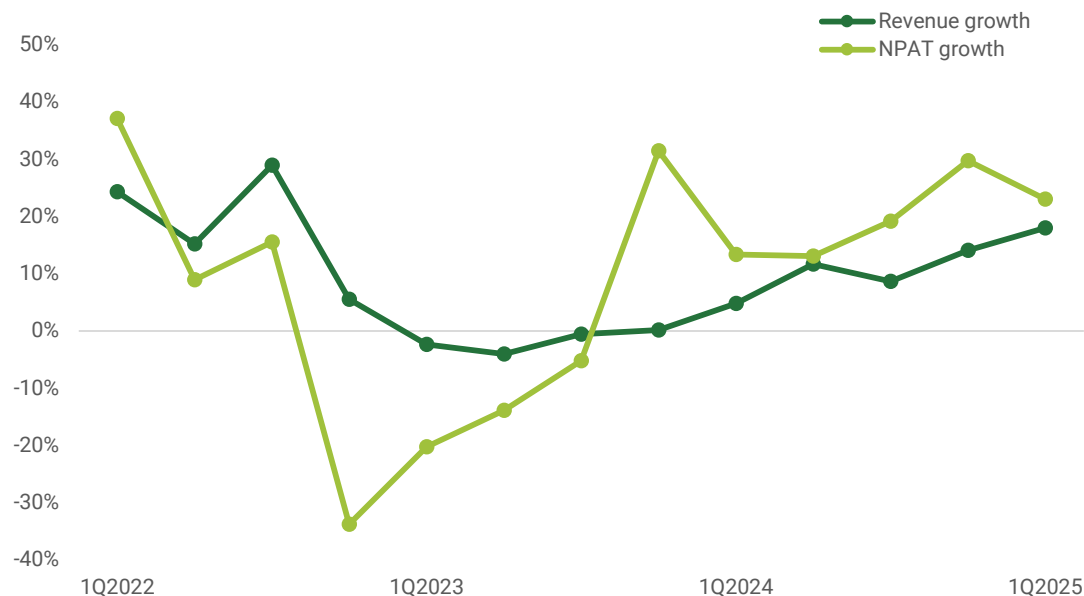


Source: PHS complied

## BUSINESS PERFORMANCE MAINTAINS GROWTH BUT RISKS STILL LIE AHEAD

As of May 7, 2025, approximately 1,102 companies listed on the HOSE, HNX, and UPCOM have released their Q1 financial reports, accounting for 98.7% of the total market capitalization. The revenue/total income is estimated to increase by 18% YoY, marking the highest quarterly growth rate since Q4/2022. However, profit growth has shown signs of slowing down. The business performance of these companies reflects a positive trend, yet potential risks and challenges remain on the horizon for the upcoming times

Business performance of these companies



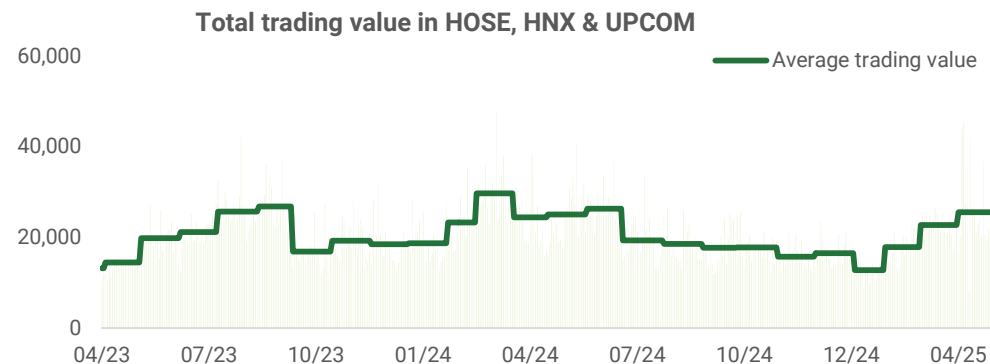
Source: PHS compiled

The banking sector still was the main driver of profit growth for the overall market. However, its contribution share has decreased from 48% in the same period last year to 44% in Q1/2025. Meanwhile, Real estate, Media, and Chemicals have shown strong growth. Notably, Media sector experienced a sharp surge, largely due to the performance of VEF (a subsidiary of VIC). In contrast, Oil & Gas sector was negatively impacted by the downward trend in oil prices.

ICB Sector (level 2)	Revenue growth	NPAT growth
Automobiles & Parts	27%	-29%
Banks	9%	14%
Basic Resources	4%	21%
Chemicals	24%	41%
Construction & Materials	8%	5%
Financial Services	6%	2%
Food & Beverage	1%	1%
Health Care	5%	-5%
Industrial Goods & Services	15%	5%
Insurance	6%	6%
Media	1536%	10620%
Oil & Gas	0%	-57%
Personal & Household Goods	-9%	13%
Real Estate	137%	18%
Retail	12%	73%
Technology	21%	41%
Telecommunications	21%	-62%
Travel & Leisure	6%	-18%
Utilities	8%	42%
<b>Whole market</b>	<b>18%</b>	<b>23%</b>

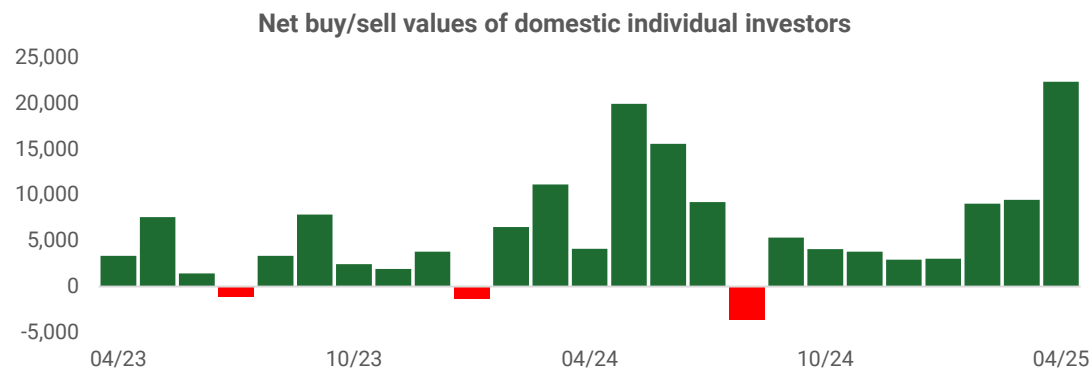
Source: PHS compiled

**Panic selling among investors has led to a sudden surge in market liquidity**



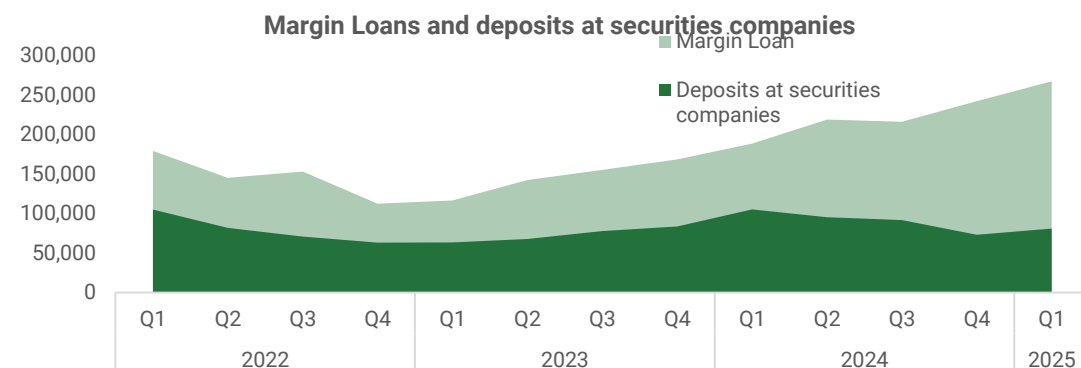
Source: PHS complied

**Domestic individual investors aggressively bottom-fished amidst selling pressure from both foreign investors and investment funds.**



Source: PHS complied

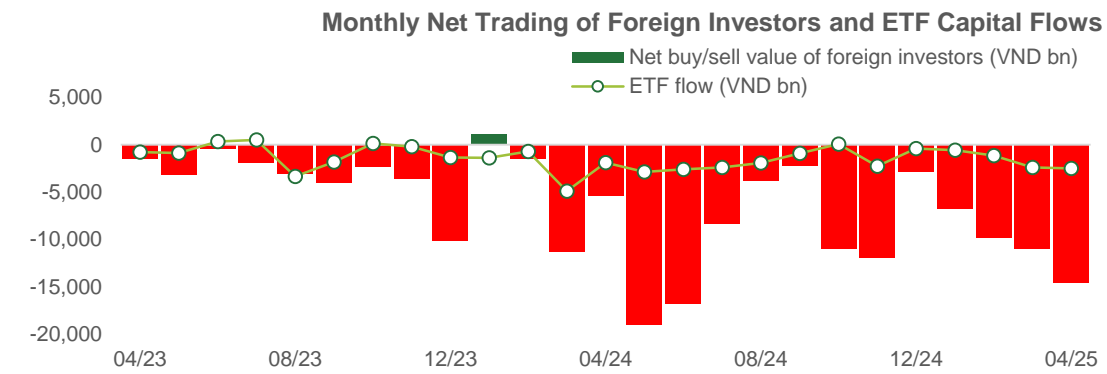
**Deposits at securities companies rose again in Q1/2025, indicating active participation of investors in the stock market.**



Source: PHS complied

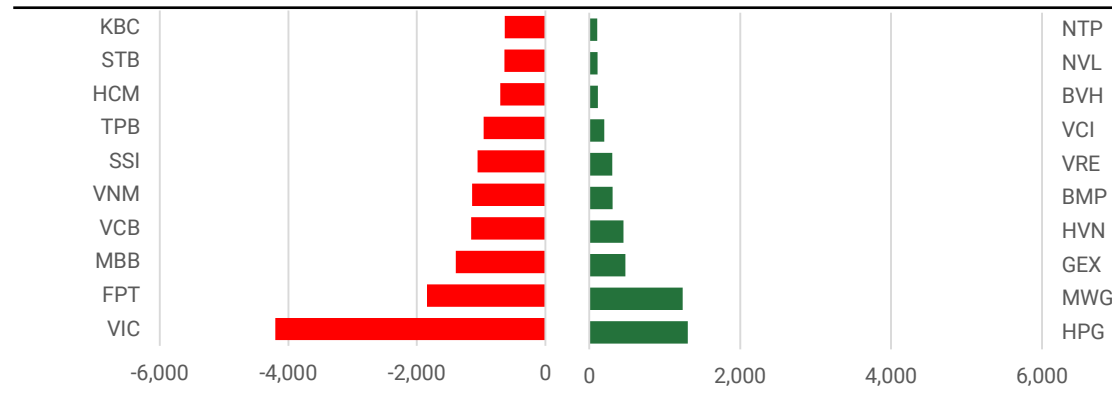
The strong performance of the Vietnamese stock market in the first quarter stimulated cash flows into the securities channel, while margin lending activities also became vibrant. However, this is a double-edged sword, as widespread margin calls during market corrections caused indices to decline more sharply. At times, many midcap and penny stocks experienced a lack of buyers, with very low liquidity. Bottom-fishing capital was primarily concentrated in large-cap stocks.

## Concerns over tariff negatively impacting foreign capital flows



Source: Bloomberg, PHS complied

## Top net buy/sell stock of foreign investors in April 2025



Source: PHS compiled

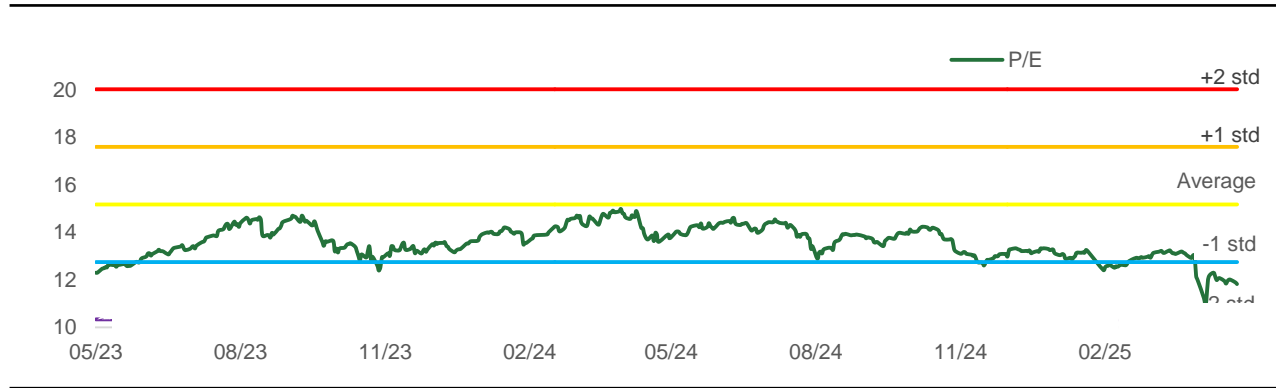
# FOREIGN INVESTORS PERSISTENTLY SELL NET

In contrast to the capital withdrawal trend in the Vietnamese market, ETF capital flows in other stock markets within the region generally remain positive.

Market	10/24	11/24	12/24	01/25	02/25	03/25	04/25
Hong Kong	-1,513	1,480	-39	635	-3,677	3,166	1,100
India	306	-313	-276	-890	-399	413	520
Japan	243	-3,666	-2,427	878	1,666	4,870	5,207
South Korea	-124	-163	-147	270	542	221	969
Taiwan	2,026	4,063	-2,289	2,134	2,087	4,998	4,494
Vietnam	-7	-90	-15	-22	-46	-94	-97
Thailand	9	-9	1	5	6	-20	1
Indonesia	8	8	8	9	69	61	7
Malaysia	39	-32	-5	-18	2	-33	-55
Philippines	-1	-6	-4	0	2	0	0
Singapore	39	163	88	43	122	47	-211

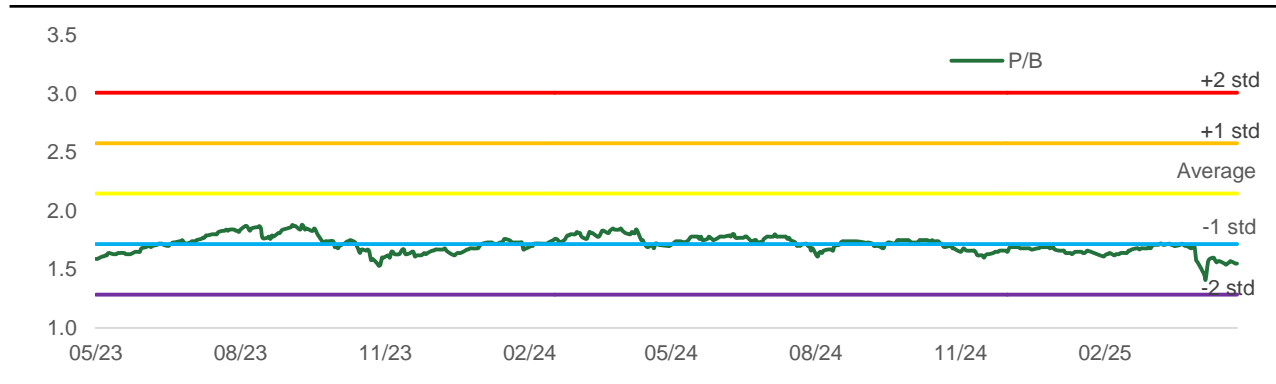
Source: Bloomberg, PHS complied

## Historical P/E of VN-Index



Source: PHS compiled

## Historical P/B of VN-Index



Source: PHS compiled

- After a period of sharp decline, the market has entered a positive recovery phase, with the VN-Index aiming to test the psychological resistance level of 1,300 points. Attractive market valuations and a stable macroeconomic foundation serve as key drivers for the VN-Index to sustain its recovery trend. Additionally, the implementation of the KRX system marks a significant milestone for the Vietnamese market, paving the way toward achieving market upgrade status. We also observed that foreign investors have started to net buy again since the official operation of the KRX system.
- However, investors should remain cautious of external uncertainties, as the outcome of tariff negotiations with the U.S. will significantly impact Vietnam's economic growth outlook for this year. Therefore, investors should prioritize long-term investment positions while limiting the use of leverage during this period



## 4. RECOMMENDATION



Ticker	Sector	Recommendation	Price (as of 12/05/2025)	Target Price	Upside	Note
KDH	Real Estate	OW	28,150	32,100	14%	
HPG	Steel	OW	25,400	28,200	11%	
DGW	Retail	OW	33,100	37,900	15%	
VNM	Retail	BUY	58,500	72,100	23%	
REE	Electricity	OW	68,900	77,000	12%	
MBB	Bank	OW	23,800	28,000	18%	
DBC	Livestock	OW	28,600	32,000	12%	



### Technical Analysis:

- ✓ The price has found solid support around the 50-day MA area. The previous downside gap is likely to be filled.
- ✓ The RSI indicator has improved above the 50 level and continues to trend upward. Meanwhile, the MACD is also returning to positive territory.
- ➔ The trend supports a potential retest of the previous peak optimistically, a breakout above it.
- ➔ **Recommended entry zone: 68–69 | Target: 77 | Stop-loss: 65**

STOCK		STRATEGY	Financial Ratio	
Ticker	REE	BUY	P/E (x)	16.4
Exchange	HOSE		P/B (x)	1.8
			EPS	4237.2
			ROE	11.0%
Sector	Utilities		Stock Rating	BB
			Scale Market Cap	Medium

### Investment Thesis Expectations:

- ✓ The utilities sector is considered a strong defensive play amid ongoing market uncertainties.
- ✓ The energy segment is the main growth driver, expected to benefit from the La Nina weather pattern.
- ✓ The M&E (Mechanical & Electrical) segment is recovering, supported by a healthy backlog from the Long Thanh Airport project.
- ✓ The real estate business segment is growing, thanks to the operation of the Etown 6 office building and the handover commencement of The Light Square project.
- ✓ Q1/2025 business results were positive: Revenue reached VND 2,068.36 billion, up 12.57%. After deducting expenses, the company's net profit reached VND 611.4 billion, an increase of 27.25% year-over-year.

### Risks:

Market-wide risks persist amid escalating trade tensions. Credit growth remains sluggish, with loan growth in Q1 reaching only 2.7% year-to-date, falling below the industry average.



## Technical Analysis:

- ✓ The price is holding well around the 50-day moving average (MA50). Additionally, the MA20 shows signs of crossing above the MA50, reinforcing the medium-term bullish trend.
- ✓ The RSI remains stable above the 50 level, while the MACD has improved into positive territory.
- ➔ The trend supports a potential retest of the previous peak optimistically, a breakout above it.
- ➔ **Recommended entry zone: 23 – 23.5 | Target: 26 | Stop-loss: 22**

STOCK		STRATEGY	Financial Ratio	
Ticker	MBB	BUY	P/E (x)	6.3
Exchange	HOSE		P/B (x)	1.3
			EPS	3729.0
			ROE	22.1%
Sector	Bank		Stock Rating	BBB
			Scale Market Cap	Medium

## Investment Thesis Expectations:

- ✓ The lending structure prominently features a high proportion to state-owned enterprises and large corporations, with expectations of benefiting from the boost in public investment and the state-led economy.
- ✓ The cost-to-income ratio (CIR) remains low, supporting higher operating profit margins. CASA (current account savings account) ratio ranks among the top in the banking system.
- ✓ Profitability indicators (ROE, ROA) are maintained at high levels within the industry. Asset quality remains stable, with a low non-performing loan (NPL) ratio of 1.8% as of the end of Q1/2025.
- ✓ Q1/2025 business results were positive: consolidated total operating income exceeded VND 15,300 billion, up 27.5% year-over-year. Consolidated pre-tax profit reached VND 8,386 billion, reflecting a 44.7% growth.

## Risks:

Market-wide risks persist as trade tensions continue to evolve unpredictably.

Weather pattern shifts could deviate from expectations, potentially reducing dispatched electricity output.





## Technical Analysis:

- ✓ The price action is showing signs of establishing a new base after a recovery phase.
- ✓ The RSI indicator remains stable above the 50 level, while MACD is improving into positive territory.
- ✓ Rising trading volume indicates that buying demand is returning even at higher price levels.
- ➔ The trend supports a continued recovery, with potential to fill the previous “downside gap.”
- ➔ **Recommended entry zone: 27-28 | Target: 31 | Stop-loss: 25.5**

STOCK		STRATEGY	Financial Ratio	
Ticker	DBC	BUY	P/E (x)	10.2
Exchange	HOSE		P/B (x)	1.5
			EPS	2712.1
			ROE	13.5%
Sector	Consumer		Stock Rating	BBB
			Scale Market Cap	Medium

## Investment Thesis Expectations:

- ✓ Advantages stem from a closed, professional livestock farming model, along with the ability to quickly rebuild herds. DBC is also enhancing its livestock technology, such as expanding high-tech breeding pig farms.
- ✓ Pig prices are expected to remain high, supporting business performance. Feed material prices are hovering at attractive levels for livestock businesses.
- ✓ The African swine fever vaccine promises significant growth potential.
- ✓ Q1/2025 business results were positive: Dabaco recorded revenue of VND 3,609 billion, up 11%. A significant drop in cost of goods sold helped the company achieve over VND 817 billion in gross profit – 2.3 times higher year-over-year.

## Risks:

Market-wide risks persist amid escalating trade tensions. Price volatility in meat products and fluctuations in consumer demand. Risks of disease outbreaks in livestock farming. Intensifying industry competition. Environmental policies and regulatory compliance pressures.



## Ratings Definition

**Buy recommendation:** Stock has potential upside by more than 20%.

**Overweight recommendation:** The stock has potential upside by 10% to 20%.

**Neutral recommendation:** The stock shows limited growth potential below 10%.

**Underweight recommendation:** The stock may decline slightly, from 0% to -10%.

**Sell recommendation:** The stock is likely to drop by more than -10%.

**Not Rated:** The stock is not rated in Phu Hung's coverage universe or not listed yet.

*Performance is defined as 12-month total return (including dividends).*

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